

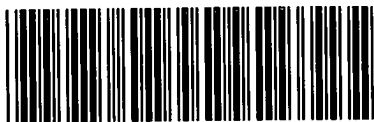
Registered number: 02852052

WINKWORTH MACHINERY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2022

THURSDAY



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25/05/2023

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COMPANIES HOUSE

LUBBOCK FINE LLP  
Chartered Accountants  
Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB

## BALANCE SHEET

AS AT 31 MAY 2022

	Note	2022 £	As restated 2021 £
<b>Fixed assets</b>			
Tangible assets	5	166,555	198,635
<b>Current assets</b>			
Stocks	6	1,314,405	1,279,379
Debtors: amounts falling due after more than one year	7	144,000	203,064
Debtors: amounts falling due within one year	7	3,666,555	1,031,288
Cash at bank and in hand	8	350,808	1,652,064
		<u>5,475,768</u>	<u>4,165,795</u>
Creditors: amounts falling due within one year	9	<u>(3,647,994)</u>	<u>(3,214,160)</u>
<b>Net current assets</b>		<u>1,827,774</u>	<u>951,635</u>
<b>Total assets less current liabilities</b>		<u>1,994,329</u>	<u>1,150,270</u>
Creditors: amounts falling due after more than one year	10	<u>(752,941)</u>	<u>(30,261)</u>
<b>Net assets</b>		<u><u>1,241,388</u></u>	<u><u>1,120,009</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		<u>1,191,388</u>	<u>1,070,009</u>
		<u><u>1,241,388</u></u>	<u><u>1,120,009</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Richard Gale*

**Richard Gale**  
Director

Date: 19 May 2023

The notes on pages 2 to 12 form part of these financial statements.

# WINKWORTH MACHINERY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2022

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### 1. GENERAL INFORMATION

Winkworth Machinery Limited is a private company limited by shares and incorporated in England and Wales, registration number 02852052. Its registered office address and principal place of business is Unit 2, Stroudley Road, Basingstoke, Hampshire, RG24 8FW.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

### 2. ACCOUNTING POLICIES

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Going concern

At 31 May 2022, the Company had cash of £350,808 (2021 - £1,652,064) and net assets of £1,241,388 (2021 - £1,120,009). The liquidity and strength of the Company position enables it to take full commercial advantage of strong relationships with customers and suppliers. As a consequence of the liquidity and Company position, the board believe that the Company is well placed to manage its business risks successfully.

At the date of approving the financial statements of the Company, the directors are sufficiently confident that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements.

This is based on projections for the forthcoming 12-month period from the date of signing these financial statements and are based on the level of existing cash, projected income and expenditure. These projections include assumptions that customers adhere to their agreed payment terms, and no new debt facilities are required.

Based on the above the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### 2.3 Turnover

Turnover is recognised from the sale of mixing machinery and associated hire. Turnover is recognised upon acknowledgment of customer acceptance and delivery of machines, or where the buyers specifically request delayed delivery instructions. Turnover represents amounts receivable for goods net of VAT and trade discounts.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10 years straight line
Plant and machinery	- 3 to 8 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.5 Impairment of fixed assets**

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.9 Current and deferred taxation (continued)**

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**2.11 Operating leases: the Company as a lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.12 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**2.13 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.13 Foreign currency translation (continued)**

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.14 Research and development**

Expenditure on research and development is written off against profits as it is incurred.

**2.15 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.16 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.17 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.18 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.19 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

**2. ACCOUNTING POLICIES (continued)**

**2.20 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 38 (2021 - 39).

**4. DIRECTORS' REMUNERATION**

	2022 £	2021 £
Remuneration paid to directors	350,004	281,175

**5. TANGIBLE FIXED ASSETS**

	Leasehold improvements £	Plant and machinery etc £	Total £
<b>Cost or valuation</b>			
At 1 June 2021	426,294	666,955	1,093,249
Additions	-	65,426	65,426
Disposals	-	(611,960)	(611,960)
At 31 May 2022	426,294	120,421	546,715
<b>Depreciation</b>			
At 1 June 2021	274,224	620,390	894,614
Charge for the year on owned assets	45,020	21,347	66,367
Disposals	-	(580,821)	(580,821)
At 31 May 2022	319,244	60,916	380,160
<b>Net book value</b>			
At 31 May 2022	107,050	59,505	166,555
At 31 May 2021	152,070	46,565	198,635

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

**6. STOCKS**

	<b>2022</b>	<b>As restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
Raw materials and consumables	619,309	446,027
Work in progress	678,258	689,819
Finished goods and goods for resale	16,838	143,533
	<u>1,314,405</u>	<u>1,279,379</u>

Included within the stock balance is a provision of £85,947 (2021 - £555,770).

**7. DEBTORS**

	<b>2022</b>	<b>As restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
<b>Due after more than one year</b>		
Other debtors	144,000	144,000
Deferred taxation	-	59,064
	<u>144,000</u>	<u>203,064</u>

	<b>2022</b>	<b>As restated</b>
	<b>£</b>	<b>2021</b>
		<b>£</b>
<b>Due within one year</b>		
Trade debtors	467,940	730,512
Amounts owed by group undertakings	2,908,251	10,204
Other debtors	11,428	90,097
Prepayments and accrued income	173,729	-
Tax recoverable	72,298	200,475
Deferred taxation	32,909	-
	<u>3,666,555</u>	<u>1,031,288</u>

A prior year adjustment has been recognised to amend the ageing of an amount included within other debtors based on the terms of the balance. The impact of this adjustment is a decrease in other debtors (<1 year) of £144,000 as at 31 May 2021 and corresponding increase in other debtors (>1 year). There was no impact on the net asset position as at 31 May 2021 as a result of this error.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

**8. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	350,808	1,652,064
Bank overdrafts	(295,760)	-
	<u>55,048</u>	<u>1,652,064</u>

**9. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<b>As restated 2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	295,760	-
Bank loans	7,751	-
Trade creditors	659,491	376,190
Other taxation and social security	55,132	59,404
Obligations under finance lease and hire purchase contracts	50,261	42,070
Other creditors	74,997	8,567
Accruals and deferred income	2,504,602	2,727,929
	<u>3,647,994</u>	<u>3,214,160</u>

A prior year adjustment has been recognised to amend the classification of amounts included within other creditors. In the prior year financial statements, obligations under finance lease and hire purchase contracts, other creditors and accruals and deferred income were combined and the total was shown as other creditors. A prior year adjustment has been recognised to correct this classification to agree the analysis to the substance of the balances. The impact of this adjustment is an increase in accruals and deferred income of £2,845,848, an increase in obligations under finance lease and hire purchase contracts of £42,070 and a corresponding decrease in other creditors of £2,887,918. There was no impact on the net asset position as at 31 May 2021 as a result of this error.

Included in accruals and deferred income are amounts of £1,971,157 (2021 - £2,251,220) that relate to customer payments on account. Payments received on account of £nil (2021 - £46,036) are secured by a floating charge over the Company's assets.

The Company has an overdraft facility under the UK Government's Coronavirus Business Interruption Loan Scheme with a maximum facility of £300,000. As at 31 May 2022 an amount of £295,760 under this facility was outstanding (2021 - £nil). The facility accrues interest at 3.25% and is 80% guaranteed by the UK Government.

**WINKWORTH MACHINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**

**10. CREDITORS: Amounts falling due after more than one year**

	2022 £	2021 £
Bank loans	752,941	-
Other creditors	-	30,261
	<u>752,941</u>	<u>30,261</u>

The bank loan is secured by way of a fixed charge over the Company's assets and those of both its immediate and ultimate parent undertaking. The bank loan is wholly repayable in more than five years.

**11. SHARE CAPITAL**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
50,000 (2021 - 50,000) Ordinary share capital shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

**12. PRIOR YEAR ADJUSTMENTS**

Income cut-off

On review of income, it was noted that a contract for a machine sale met the criteria for income recognition prior to 31 May 2021 which had not been recognised in the prior period. A prior year adjustment was processed to correct this error. The impact of this adjustment is to increase turnover and cost of sales for the year ended 31 May 2021 by £246,419 and a corresponding decrease in both deferred income and work in progress (stock) of £246,419. There was no impact on the net asset position as at 31 May 2021 as a result of this error.

Dilapidation's provision

On review of a dilapidation's provision recognised in accruals (<1 year), it was noted that this had previously been incorrectly recognised over the term of the lease. A prior year adjustment was processed to correct this error. The impact of this adjustment is to reduce administrative expenses for the year ended 31 May 2021 by £42,833, reduce retained earnings at 1 June 2020 by £171,333 and increase accruals and deferred income (<1 year) as at 31 May 2021 by £128,500. This adjustment reduced the net asset position as at 31 May 2021 by £128,500.

**13. CONTINGENT LIABILITIES**

The Company has an ongoing enquiry from HMRC into R&D claims made in the years ended 31 May 2019 and 31 May 2020. The claims submitted resulted in tax credits totaling £128,176. Management, having sought professional advice and cooperated with HMRC regarding the enquiry, are confident that the enquiry shall conclude that the claims made were valid and correct. However, should the enquiry conclude that the claims were incorrect, some or all of the credits claimed may become repayable to HMRC, and penalties and interest charges may also be incurred. In addition, R&D claims submitted made for the years ended 31 May 2021 and 31 May 2022, which have been recognised in the financial statements, may also not be successful, resulting in the tax recoverable balance recognised in debtors of £72,298 (2021 - £200,475) becoming a corporation tax payable balance of £82,000 (2021 - £9,000).

**WINKWORTH MACHINERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2022****14. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £81,860 (2021 - £84,286). Contributions totaling £nil (2021 - £7,858) were payable to the fund at the balance sheet date and are included in creditors.

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 May 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	249,143	250,057
Later than 1 year and not later than 5 years	307,619	500,114
	<u>556,762</u>	<u>750,171</u>

**16. RELATED PARTY TRANSACTIONS**

During the year, the Company entered the following transactions with related parties:

	2022 Parent undertaking £	2022 Other related party £	2021 Parent undertaking £	2021 Other related party £
Reimbursed costs (income)	-	-	-	10,071
Management charges (expenditure)	15,000	-	30,000	-
	<u>15,000</u>	<u>-</u>	<u>30,000</u>	<u>10,071</u>

In addition to the above, during the year the Company disposed of a vehicle to a director for total proceeds of £19,000, giving rise to a profit on disposal of £7,232. At the balance sheet date, £9,595 of the proceeds remained outstanding. No similar transaction took place in the prior year.

**17. POST BALANCE SHEET EVENTS**

On 21 October 2022 the Company's existing banking facilities were refinanced with an alternative lender. The new loan, which is for a principal amount of £600,000, is repayable on 21 October 2023 and accrues interest at a rate of 10% per annum.

**WINKWORTH MACHINERY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2022**

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**18. ULTIMATE HOLDING COMPANY**

Up until 30 November 2021, the ultimate holding company was Snow Pond UK Limited, a company incorporated in England and Wales. From 30 November 2021, the ultimate holding company became Winkworth 2022 Limited, a company incorporated in England and Wales.

**19. AUDITORS' INFORMATION**

These financial statements have been prepared for the purposes of filing with Companies House and no Statement of Income and Retained Earnings is included within this set of financial statements. The full financial statements have been subject to audit and there were no qualifications or modifications to the audit report on the full financial statements. The audit was undertaken by Lubbock Fine LLP Chartered Accountants & Statutory Auditors, and the Senior Statutory Auditor was David Chandra.